

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF VIRGINIA  
Norfolk Division

WATERSIDE CAPITAL CORPORATION, ET AL.

Plaintiff,

v.

ACTION NO. 2:05cv727

HALES, BRADFORD & ALLEN, LLP, ET AL.,

Defendants.

ORDER

This matter comes before the court on the following submissions of the parties: (1) a motion to dismiss, filed by defendants Hales-Bradford, L.L.P., Billy R. Bradford, Jr. ("Bradford"), and Darryl D. Baird ("Baird") on February 14, 2006; (2) plaintiffs' opposition to motion to dismiss, filed by plaintiffs CapitalSouth Partners Fund I, L.P., Weslaco Holding Company, LLC, and Waterside Capital Corporation (collectively, "plaintiffs") on February 27, 2006; (3) a reply brief in support of motion to dismiss, filed by defendants Hales-Bradford, L.L.P., Bradford, and Baird on March 7, 2006; (4) a motion to dismiss, filed by defendants Hales, Bradford & Allen, LLP ("HBA"), and Salinas, Allen and Schmitt, LLP ("Salinas"), on March 1, 2006; (5) plaintiffs' opposition to motion to dismiss, filed by plaintiffs on March 27, 2006; (6) a rebuttal brief in support of motion to dismiss, filed by defendants HBA and Salinas on April 3, 2006; (7) plaintiffs' motion for partial summary judgment, filed by plaintiffs on October 11, 2006; (8) a response to plaintiffs'

motion for partial summary judgment as to personal jurisdiction over defendants, filed by defendants Hales-Bradford, L.L.P., Bradford, and Baird on October 20, 2006; and (9) plaintiffs' reply to defendants' response to motion for partial summary judgment, filed by plaintiffs on October 25, 2006.<sup>1</sup>

The matter was referred to a United States Magistrate Judge by order of April 5, 2006, pursuant to the provisions of 28 U.S.C. § 636(b)(1)(B) and Federal Rule of Civil Procedure 72(b), to conduct hearings, including evidentiary hearings, if necessary, and to submit to the undersigned proposed findings of fact, if applicable, and recommendations for the disposition of the motions.

The court, having examined the objections to the magistrate judge's report and recommendation, and the response to the objections, and having made de novo findings with respect thereto, does hereby adopt and approve in full the findings and recommendations set forth in the Report and Recommendation of the United States Magistrate Judge filed December 14, 2006. Accordingly, the plaintiffs' motion for partial summary judgment is hereby GRANTED; and defendants' motions to dismiss are hereby DENIED-IN-PART.<sup>2</sup>

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<sup>1</sup>Defendants HBA and Salinas did not submit a response to plaintiff's motion for partial summary judgment.

<sup>2</sup>The magistrate judge's report and recommendation addressed only the issue of personal jurisdiction. The magistrate judge has not yet ruled on the other grounds for defendants' motions to dismiss.

The Clerk shall forward a copy of this order to all counsel of record for the parties.

**IT IS SO ORDERED.**

\_\_\_\_\_/s/  
Rebecca Beach Smith

Norfolk, Virginia

February 27, 2007